

Estimated Fiscal Impact of Bill #

SB 100

Date 1/15/2009

Short Title Financial and Economic Literacy Education Amendments

Contact Randy Raphael

Title Statistician

Agency State Office of Education

Phone 538-7802

## Short Form

Use only when there is no appropriation needed for state agencies, and no fiscal impact on state revenues, local governments, businesses, or individuals.

If the bill looks like it should have a fiscal note, explain why it does not. For example, a bill might put into code something that is already current practice.

Attachments welcome.

- ☒ State agencies will not require an appropriation to implement the bill.
- ☒ There is no fiscal impact on local governments.
- ☒ There is no fiscal impact on businesses.
- ☒ There is no fiscal impact on individuals.
- ☒ The bill will not affect revenues.

Explain why this bill has no fiscal impact.

It only requires schools to provide information that already exists and will not require any appreciable cost to procure and distribute.

## A. What parts of the bill cause fiscal impact?

Cite specific sections or line numbers.

But note lines 58, 82, 90-91, 95-96, and 98, the gist of which is: "The State Board of Education shall ... encourage parents and students to establish a Utah Educational [sic] Savings Plan" (UESP).

## B. Which program gets the appropriation?

(Approp. Unit Code)

(To appropriate to an additional program use an additional form.)

This is \_\_\_\_ of \_\_\_\_.

## C. Work Notes: Assumptions, calculations &amp; what are we buying?

Assume that a legislator calls you in to explain how you came up with your fiscal impact and these are the only notes you get to take with you.

List all costs. Identify one-time and ongoing costs. Detail FTE impacts.

Do not say, "\$50,000 in Current Expense." Be very specific about what \$50,000 will buy.

Attachments encouraged.

Information about the UESP specifically is already provided by schools as part of the curriculum the USOE designed to implement the legislatively mandated Financial Literacy program (Mary Shumway, 1/14/09). However, the UESP is a proprietary financial instrument, not the generic label of a way to save money for college. This bill would put educators in the position of sales representatives by requiring them to advocate for UESP over all other products and providers. In this way, UESP will be given a distinct marketing advantage over its competitors.

On the other hand, the UESP is "the official and only 529 plan sponsored by the State of Utah" and is "administered by the Utah State Board of Regents acting in its capacity as the Utah Higher Education Assistance Authority," so it already enjoys a special status in public policy. Moreover, at least one major instate competitor, Zions Bank, includes a link to the UESP on its "Saving for College" site at [https://www.zionsbank.com/edu\\_college.jsp](https://www.zionsbank.com/edu_college.jsp), so it is unclear whether further governmental promotion of UESP in this way will be a concern to the local financial industry.

# Fiscal Impact Tables

Current Budget Year  
FY 2009

Coming Budget Year  
FY 2010

Future Budget Year  
FY 2011

D. If this is a revenue bill, show impacts here. (Select funds from drop-down menu.)

<b>Total</b>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>

E. Show Costs to Implement the Bill by Fund (Select funds from drop-down menu.)

<b>Total</b>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>

F. Show Costs to Implement the Bill by Expense Category.

Personal Services			
Travel			
Current Expense			
DP Current Expense			
DP Capital Outlay			
Capital Outlay			
Other/Pass Thru			
<b>Total</b>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>

G. How will the bill impact local governments?

Your estimate of the bill's impact  
on local governments.

Attachments welcome.

H. How will the bill impact businesses?

Your estimate of the bill's impact  
on businesses.

Attachments welcome.

The most likely scenario is that financial businesses which offer competing college savings instruments will lose some revenue due to the marketing advantage it will give to UESP. Another possible but less likely scenario is that, by promoting the very idea of saving for college among parents of kindergarteners, it will generally increase household savings and thereby raise revenue for private industry as well.

I. How will the bill impact individuals?

Your estimate of the bill's impact  
on individuals.

Attachments welcome.

This is a draft fiscal note response from the Utah State Office of Education (USOE) and may be revised in the future.